

1 CHRISTOPHER I. BRAIN
TOUSLEY BRAIN STEPHENS PLLC
2 1700 Seventh Avenue, Suite 2200
Seattle, WA 98101
3 Telephone: (206) 682-5600
Facsimile: (206) 682-2992
4 Email: cbrain@tousley.com

5 CYNTHIA M. COHEN
6 PAUL HASTINGS LLP
515 South Flower Street 25th Floor
7 Los Angeles, CA 90071
Telephone: (213) 683-6000
8 Facsimile: (213) 627-0705
9 Email: cynthiacohen@paulhastings.com

10 Attorneys for Defendant
ORA Talus 90, LLC

11
12 UNITED STATES DISTRICT COURT
13 FOR THE WESTERN DISTRICT OF WASHINGTON
14 AT SEATTLE

15 TALUS 7 & 8 INVESTMENT, LLC,
16 Plaintiff,
17 v.
18 ORA TALUS 90, LLC,
19 Defendant.

NO. 2:16-cv-01502-JLR

**ORA TALUS 90, LLC'S RESPONSE
TO "ORDER TO SHOW CAUSE
REGARDING SUBJECT MATTER
JURISDICTION"**

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21 Defendant ORA Talus 90, LLC ("ORA Talus"), by its attorneys, hereby responds to this
22 Court's "Order to Show Cause Regarding Subject Matter Jurisdiction" (the "OSC") as follows:

23 1. The gravamen of the damages claim in the complaint herein is the allegation that
24 plaintiff Talus 7 & 8 Investment, LLC ("Talus 7 & 8") will suffer "significant monetary
25 damage" if an inability to utilize the Construction and Utility Easement prevents Talus 7 & 8
26 from consummating a sale of the "Talus 7 & 8 Parcel" (as defined in the complaint) to an
27

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1 unidentified “potential buyer.” (Complaint ¶ 3.8.) By this allegation (which ORA Talus
2 disputes), the complaint puts in issue the money Talus 7 & 8 will realize from the sale to this
3 “potential buyer” and makes that money the amount in controversy for purposes of diversity
4 subject matter jurisdiction.

5 2. Although Talus 7 & 8 has not provided this Court or ORA Talus with the
6 purchase and sale agreement to the “potential buyer,” ORA Talus has obtained sufficient
7 information from other sources, including recorded documents, to put the requisite
8 jurisdictional meat on the complaint’s bare bones damage claim.

9 3. The Talus 7 & 8 Parcel is a 57 lot plat. Annexed hereto as Exhibit 1 is a true
10 and correct copy of the Metroscan printout reflecting a land value of \$13,702,000 for the Talus
11 7 & 8 Parcel.

12 4. Recorded documents reflect that the Talus 7 & 8 Parcel is encumbered by a
13 Deed of Trust, Security Agreement, Assignment of Rents and Leases, Assignment of Contract
14 and Plans, and Fixture Filing (the “Deed of Trust”), recorded on November 6, 2014. Annexed
15 hereto as Exhibit 2 is a true and correct copy of the Deed of Trust. The Deed of Trust reflects
16 that the original principal balance of the promissory note secured by the Deed of Trust was
17 \$10,373,000. (Deed of Trust ¶ 1.2.1.)

18 5. Other recorded documents - - the Memorandum of Purchase and Sale
19 Agreement, recorded on January 13, 2016, (the “Memorandum”) - - reflect that the Talus 7 & 8
20 Parcel is the subject of a Purchase and Sale Agreement between Talus 7 & 8, as Seller, and Toll
21 WA LP, as Buyer. This is the sale to the “potential buyer” to which paragraph 3.8 of the
22 complaint refers. The Memorandum does not specify the purchase price for this sale, but ORA
23 Talus is informed that the purchase price is \$425,000 per lot for the 57 lots - - a total purchase
24 price of \$24,225,000.

25 6. Whether the current balance of the promissory note secured by the Deed of
26 Trust remains \$10,373,000 or has been paid down in the almost two years since the Deed of
27

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1 Trust was recorded, and whether the amount of value Talus 7 & 8 will derive from the sale to
2 the “potential buyer” is the difference between the balance on the note and the land value of
3 \$13,702,000 reflected in the Metroscan (*i.e.*, a difference of \$3,329,000) or what ORA Talus
4 understands is the purchase price of \$24,225,000 for the sale memorialized in the
5 Memorandum (*i.e.*, a difference of \$13,852,000), Exhibits 1, 2 and 3 annexed hereto are
6 sufficient to establish by a preponderance of the evidence before this Court that the amount
7 Talus 7 & 8 has placed in controversy by its complaint is more than \$75,000.

8 7. Based upon all of the foregoing, ORA Talus submits that this Court should
9 discharge the OSC and ORA Talus respectfully requests that the Court do so.¹

10 DATED this 31st day of October, 2016

11 TOUSLEY BRAIN STEPHENS PLLC

12 By: /s/Christopher I. Brain

13 Christopher I. Brain, WSBA #5054
14 cbrain@tousley.com
15 1700 Seventh Avenue, Suite 2200
16 Seattle, Washington 98101
17 Telephone: 206.682.5600
18 Fax: 206.682.2992

19 PAUL HASTINGS LLP
20 CYNTHIA M. COHEN

21 By: /s/Cynthia M. Cohen

22 Cynthia M. Cohen, Admitted Pro Hac Vice
23 cynthiacohen@paulhastings.com
24 515 South Flower Street, 25th Floor
25 Los Angeles, California 90071
26 Telephone: 213.683.6000
27 Fax: 213.627.0705

Attorneys for Defendant, ORA Talus 90, LLC

26 ¹ In light of the foregoing, ORA Talus does not address in this response whether a
27 counterclaim may be considered in determining the amount in controversy.

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on October 31, 2016, I electronically filed the foregoing with the
3 Clerk of the Court using the CM/ECF system which will send notification of such filing to all
4 counsel of record.

5
6 DATED at Seattle, Washington, this 31st day of October, 2016.

7
8 /s/Christopher I. Brain

9 Christopher I. Brain, WSBA #5054

10 cbrain@tousley.com

11 Attorneys for Defendant, ORA Talus 90, LLC

12 TOUSLEY BRAIN STEPHENS PLLC

13 1700 Seventh Avenue, Suite 2200

14 Seattle, Washington 98101

15 Tel: 206.682.5600

16 Fax: 206.682.2992

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